

IRS News Release

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IRS Strategic Plan Focuses on Service, Compliance, Modernization

IR-2004-95, July 15, 2004

WASHINGTON — The Internal Revenue Service today formally unveiled an updated strategic plan that outlines three broad goals for the agency through 2009: Improved service to taxpayers, enhanced enforcement of the tax laws and modernized business processes and technology.

This Strategic Plan provides a roadmap for IRS operations over the next five years. It underscores the IRS commitment to providing excellent service to taxpayers and enforcing America's tax laws in a balanced manner. Service and enforcement are equally important priorities for the IRS.

"In recent years, the IRS has made significant progress in improving service," IRS Commissioner Mark W. Everson said. "While the agency's commitment to service continues, the IRS must now sharpen the focus on enforcement."

The strategic plan supports the agency's key enforcement priorities:

- Discourage and deter non-compliance, with emphasis on corrosive activity by corporations, high income individual taxpayers and other contributors to the tax gap.
- Assure that attorneys, accountants and other tax practitioners adhere to professional standards and follow the law.
- Detect and deter domestic and off-shore based tax and financial criminal activity.
- Discourage and deter non-compliance within tax-exempt and government entities and misuse of such entities by third parties for tax avoidance and other unintended purposes.

Everson emphasized that IRS enforcement programs must rest on a sound foundation of taxpayer rights.

The strategic plan's third priority is to improve the efficiency of the tax administration system through modernization efforts that build upon the success of the e-file program and other recently introduced electronic tools for individual and business taxpayers. In addition to its emphasis on technological improvements, the

modernization portion of the plan also focuses on implementation of streamlined business processes, productive work environments and security upgrades.

The plan was reviewed and approved by the IRS Oversight Board, which was created by the IRS Restructuring and Reform Act of 1998 to oversee the tax agency. A majority of the board's members are from the private sector.

"The Board compliments Commissioner Everson on this new five-year plan," IRS Oversight Board Chair Nancy Killefer said. "This is a balanced plan. It will help the IRS to continue to build on its customer service successes while addressing troubling deficiencies in enforcement and business systems modernization that the Board has previously noted in both its annual and budget reports."

The IRS also received feedback from other groups, including the IRS Advisory Council, the Information Reporting Program Advisory Committee and the Federation of Tax Administrators.

"It is clear that in developing the plan the Service has given careful attention to all the competing needs of tax administration; we expect that this plan will serve the agency well in coming years," said Harley Duncan, executive director of the Federation of Tax Administrators. "The strategy addresses all of the key challenges facing tax authorities."

The full text of the IRS strategic plan is available on the IRS Web site at http://www.irs.gov/pub/irs-utl/strategic_plan_05-09.pdf.